

HUMAN RESOURCES MEMORANDUM 23- 011		DATE ISSUED: 7/17/2023
SUBJECT: GENERAL SALARY INCREASES AND OTHER POST EMPLOYMENT BENEFITS FOR EXCLUDED AND EXEMPT EMPLOYEES		REFERENCE: Human Resources Manual - CalHR 1422
TO: All DGS EXEMPT AND EXCLUDED EMPLOYEES		SUPERCEDES: HR MEMO 19-008

PLEASE ENSURE THAT THIS INFORMATION IS SHARED WITH YOUR EMPLOYEES

Purpose

The purpose of this memorandum is to provide information concerning previously agreed to salary increases, Other Post-Employment Benefits (OPEB) contributions rates, and retirement contribution rates for exempt and excluded employees effective July 1, 2023.

General Salary Increase

For exempt and excluded employees tied to bargaining units with a scheduled increase effective July 1, 2023, the California Department of Human Resources has approved General Salary Increases (GSI) and Special Salary Adjustments identified in the table below.

Bargaining Unit (BU)	General Salary Increase	Special Salary Adjustment
2 Excludeds	3%	4.5% at Max for ALJs
9 Excludeds	3%	
13 Excludeds		4%

Bargaining Units 1, 4, 10, 12, 14, 15, and 19 are part of ongoing negotiations and not currently scheduled to receive a GSI, and therefore, exempt and excluded employees tied to these bargaining units will not receive a GSI at this time. Exempt and excluded employees not directly tied to a bargaining unit, many of which have an “E” Collective Bargaining Identifier, will not receive a GSI at this time.

Improving Affordability and Access to Healthcare

The current Improving Affordability and Access to Healthcare monthly payment of \$260 will **expire** for SEIU Local 1000-related excluded(s) who are enrolled in a state-sponsored CalPERS health plan, effective June 30, 2023. The payment **expired** for all exempt employees. The final payment for the June 2023 pay period will be issued in early July 2023.

Special Salary Adjustments and Pay Differentials

Special salary adjustments and pay differentials approved in some memoranda of understandings, side letters and tentative agreements will be extended to excluded employees, where appropriate. Details will be outlined in a pay letter at a later time.

Retirement Contributions

The employee retirement contribution rates increased on July 1, 2023, as follows:

Excluded employees tied to Bargaining Units 1, 4, 14, 15, and Exempts not tied to a bargaining unit:

- Miscellaneous rates will increase from 8 percent to 8.5 percent for employees who are subject to Social Security in the First Tier Retirement plan.
- Miscellaneous rates will increase from 9 percent to 9.5 percent for employees who are not subject to Social Security in the First Tier Retirement plan.
- Industrial rates will increase from 9 percent to 9.5 percent for employees who are subject to Social Security in the First Tier Retirement plan.
- Industrial rates will increase from 10 percent to 10.5 percent for employees who are not subject to Social Security in the First Tier Retirement plan.

Other Post-Employment Benefits (OPEB)

Exempt and excluded employees directly tied to a bargaining unit will continue to prefund the same percentage as the bargaining unit they are tied to. This table outlines the contribution rates effective July 1, 2023:

Bargaining Unit (BU)	Employee Contribution	Employer Contribution
SEIU (BU 1, 4, 14, 15)	3.5%	3.5%
2	1.4%	1.4%
9	2.0%	2.0%
10	2.1%	2.1%
12	3.6%	3.6%
13	3.0%	3.0%
19	3.0%	3.0%
Excluded and Exempt employees not directly tied to a BU	2.4%	2.4%

Exempt and excluded employees not directly tied to a bargaining unit, such as many of the employees who have an “E” Collective Bargaining Identifier (CBID), will continue to contribute 2.4 percent of pensionable compensation to prefund OPEB.

Exceptions are in the [“Additional Exempt and Excluded Classifications Prefunding OPEB with a Bargaining Unit.”](#)

Vacation/Annual Leave Caps

The vacation/annual leave caps for excluded employees tied to Bargaining Units 12, 13, and 19, were increased from 640 to 832 effective July 1, 2020. Effective July 1, 2023, the caps will revert back to 640 in alignment with the bargaining unit they are tied to.

Questions

If employees have questions not addressed in this memorandum, employees are encouraged to email OHRSpecialRequests@dgs.ca.gov.

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